

MINUTES

**Tanner Electric Cooperative
Board of Directors
June TEC Board of Directors Meeting
Thursday, June 22, 2023, 3:00 pm - 5:30 pm
TEC North Bend Headquarters**

In Attendance

Member

Carol Paschal; David McGoldrick; Dutch Siedentopf; John Saatela; Kristina Michael; Malcolm Lybeck; Michael Hodge; Roger Guay; Steve Nicholes

Staff

Joel Merkel; Kevin Burns; Lisa Peabody; Nick Himebauch; Steven Walter

A. ROLL CALL

All Directors and staff were present for the meeting.

1. Establish a Quorum

A quorum was established.

B. CALL TO ORDER

The Board President called the meeting to order at 3:00 p.m.

1. Approval of the Board Meeting Agenda

Motion: to approve the TEC Board meeting agenda as presented on June 22, 2023.

Move: Kristina Michael Second: Roger Guay Status: Passed

C. UNFINISHED BUSINESS

1. Consent Agenda
 - a. New Memberships/New Construction List
 - b. Monthly Outage Reports

2. Receive and File the Consent Agenda

Motion: to receive and file the Consent Agenda as presented on June 22, 2023.

Move: Roger Guay Second: Carol Paschal Status: Passed

3. Approve the Minutes of the May TEC Board of Directors Meeting

Motion: to approve the minutes of the TEC Board of Directors Meeting on May 20, 2023, as written.

Move: Dutch Siedentopf Second: Roger Guay Status: Passed

4. Approve Summary Minutes for Ruralite

Motion: to approve that the May 2023 Board minutes will be summarized and published in the

Ruralite.

Move: Dutch Siedentopf Second: Kristina Michael Status: Passed

D. FINANCIAL REVIEW

1. Funds Disbursement List - Kevin Burns
2. Arrears List
3. Balance Sheet
4. YTD Financials
5. MTD_YTD Sales By Class
6. Receive and File the Financial Reports

Motion: to receive and file the financial reports as presented on June 22, 2023.

Move: Steve Nicholes Second: Kristina Michael Status: Passed

E. REPORTS

1. CEO Report - Steven Walter

- a. Tesla will install a Super Charger at the North Bend Premium Outlet Mall.
- b. New Washington State Heat Law

In anticipation of extreme summer heat, the Washington state legislature passed a law in early 2023 prohibiting utility services from shutting off someone's power and water due to nonpayment during heat advisory periods. A utility must also reconnect any previously disconnected accounts immediately following the issue of a heat advisory period without requiring payment. This new legislation goes into effect on July 23, 2023.

- c. Staff and General Counsel are working on the final draft of the second contract for the Snoqualmie Casino.
 - d. The annual staff performance reviews are conducted this time of year, and any wage adjustments will be effective as of July 1st.
2. Operations Report - Nick Himebauch
- Mr. Himebauch prepared a written report for the Board attached to the agenda outlining the summer capital projects for Anderso Island and Ames Lake. He also had the line crew display the new bucket truck outside in the parking lot and invited the Board outside to get a hands-on look at it. The safety training this month was the Responsibility of Lead Lineworkers. In addition to that, the entire staff participated in cybersecurity training provided by the IT from Penn Light on June 21st.

3. Committee Reports

- a. Finance & Audit - Carol Paschal, Chair

Finance Committee met today before the TEC Board meeting and discussed the repricing of long-term loans and interest rates, Capital Credit Retirements of 350K that will be processed in November 2023 and was Board approved as a component of the 2023 budget.

- b. New Technology & Conservation - Roger Guay, Chair

Nothing to report at this time.

- c. Personnel - Mike Hodge, Chair

Nothign to report at this time.

- d. Youth Development - Dutch Siedentopf, Chair

The Youth Development Committee will be meeting next month on July 18th at 1:30 pm.

4. Director Area Reports

5. Other Reports

- a. General Counsel Report - Joel Merkel

General Counsel Joel Merkel reported that King County has advised members of the utility group that has challenged its methodology for calculating the rental fee that the County is seeking to charge Franchisees for their use of the ROW, that the County has retained new consultants to address the issues and challenges raised by the utilities in the lawsuit and in other communications with the County. The County does not expect to be able to address the questions and objections raised by the utilities until they receive a report from the consultant which is expected in the first quarter of 2024. Thus, there will be no negotiations on renewal of expired franchise agreements until the rental fee methodology issues are first resolved within the County. Members of the utility group have informed the County that they reserve their right to challenge any methodology that is proposed by the County.

F. NEW BUSINESS

1. Accept and Approve TEC Board Officer Nominations

Motion: to accept and approve the TEC Board officers as nominated:

President - Michael Hodge
Vice President- Roger Guay
Treasurer-Carol Paschal
Secretary-Dutch Siedentopf

Move: Kristina Michael Second: Malcolm Lybeck Status: Passed

2. Appoint TWE Board of Directors -TEC Resolution 23-284

Motion: to accept and approve that the TEC Board of Directors will also serve as the Tanner Wind Energy (TWE) Board of Directors as stated in TEC Resolution 23-284.

Move: Kristina Michael Second: Carol Paschal Status: Passed

3. Signatory Authority for TEC Deposit Accounts - TEC Resolution 23-285

Motion: to approve TEC Board Resolution 23-285 granting signatory authority to the Board Officers and the CEO for the TEC deposit accounts.

Move: Roger Guay Second: Kristina Michael Status: Passed

4. Modify the Power Cost Adjustment Calculation

Motion: to approve removing the Tanner Wind Energy factor when calculating the Power Cost Adjustment (PCA) for the monthly billing process.

Move: Carol Paschal Second: John Saatela Status: Passed

5. Removal of the Operating Revenue Adjustment

Following the Finance Committee meeting today, a recommendation was made to the Board to remove the Operating Revenue Adjustment (ORA) calculation from the billing process.

Motion: to approve the removal of the ORA calculation from the TEC billing process as recommended by the Finance Committee.

Move: Carol Paschal Second: David McGoldrick Status: Passed

6. Capital Budget Adjustment

Staff recommendation – Begin the process of getting the Middlefork Substation prepared for the last phase of completion. The project would include landscaping, fencing, irrigation, and city checklist items with an estimated cost between \$1.2 - \$1.5 million.

Motion: to approve the Finance Committee's recommended approval of \$1.4 million Middle Fork Substation yard work plan.

Move: Carol Paschal Second: Steve Nicholes Status: Passed

G. ADJOURN MEETING

Following no further business, the Board President adjourned the meeting at 5:05 pm.